(b) the major objectives behind making these changes; and

(c) how far Government have been able to achieve these objectives?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SMT. KRISHNA SAHI): (a) New Industrial Policy has been announced by the Government on 24th July, 1991. The major policy changes made in pursuance of New Industrial Policy, 1991 during the last 4 years, inter-alia, includes:

(i) Abolition of industrial licensing for all industries except a short list of 16 industries.

(ii) Pruning in the number of items reserved for public sector to 6.

(iii) According of Automatic approval for Direct Foreign Investment up to 51% foreign equity and technology agreements in high priority industries by Reserve Bank of India.

(iv) Abolition of pre-entry scrutiny of investment decisions under Monopolies and Restrictive Trade Practices, Act.

(b) Main objectives of these major policy changes are to build on the gains already made, maintain a sustained growth in productivity and gainful employment, ensure optimal utilisation of human resources and attain international competitiveness.

(c) The New Industrial Policy Resulted in an increase in the rate of industrial growth, Increase in exports and foreign exchange reserves, increase in investment intentions and foreign investment approvals and increase in employment potential.

Growth rate of manufacturing sector

6446. DR. B.B. DUTTA: Will the PRIME MINISTER be pleased to state:

(a) the growth rate of manufacturing sector vis-a-vis industrial sector during the last five years;

(b) the reasons for lower growth rate in the manufacturing sector; and

(c) the steps taken by Government to accelerate the growth rate of this sector?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SMT. KRISHNA SAHI): (a) The overall industrial growth and the grwoth rate of manufacturing sector during last five years has been as under:

Rate of Growth of Ind. Prod.

Year	Manufacturing	Overall
1990-91	8.9%	8.3%
1991-92	−0.8%	0.6%
1992-93	2.2%	2.3%
1993-94	4.5%	4.7%
1994-95 (Apr.-Dec)	8.5%	8.3%

(b) and (c): Manufacturing sector has more or less followed the same trend as overall industrial production. The broad based industrial recovery already underway is the result of the cumulative success of industrial, trade, fiscal and capital market reforms. The new policy initiatives have stabilised the economy and improved confidence of the entrepreneurs. The industrial sector has further benefitted from imposition of the countervailing duties and extension of MODVAT.

Industrial backwardness of North-Eastern Region

6447. DR. B.B. DUTTA: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that North-Eastern Region is an industrially backward region;

(b) if so, the factors responsible for the backwardness;